

Desjardins

Canadian Small Cap Equity Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2022



FIERA CAPITAL

PORTFOLIO MANAGER:
Fiera Capital

INCEPTION DATE:
January 1, 1994

CIFSC CATEGORY*:
Canadian Small/Mid Cap Equity

Contributors to relative performance

- Security selection in energy
- Underweight in energy
- Security selection in consumer staples

Detractors from relative performance

- Underweight in materials
- Security selection in information technology
- Security selection in consumer discretionary

Major changes to portfolio in the period

- We initiated a new position with Stella Jones. It is a diversified industrial company with market leading positions in the supply of utility poles, railway ties and distribution of residential lumber. The company has historically been a compounder due to a combination of organic growth and accretive acquisitions but has lagged the market over the past 5+ years. We believe the company's fundamentals have recently improved especially the utility poles segment due to the pole replacement cycle and elevated demand from the buildout of North American infrastructure including renewal power.
- We exited our position in Canadian Western Bank, Sylogist and Neo Materials, for higher conviction ideas. In addition, we exited an industrial REIT, Summit Industrial, after it was acquired by a JV comprised of Dundee Industrial REIT and the Singapore sovereign wealth fund for a 31% premium.

*CIFSC refers to Canadian Investment Funds Standards Committee. The CIFSC has the mandate to standardize the classification of mutual funds in Canada. <http://www.cifsc.org/>.

The information provided in this document is presented for illustration and discussion purposes only. It should not be considered as investment advice or securities transaction recommendations or recommendations on specific investment strategies. This document should in no case be considered or used for the purpose of buying units in a fund or any other offer of securities, regardless of jurisdiction. Said information is intended to be general and intended to illustrate and present examples relating to management of the portfolio manager cited in this document. All views, comments and opinions are subject to change without notice. The information presented on the market context and strategy represents a summary of the cited portfolio manager's observations with regards to the markets as a whole and its strategy as of the stated date. Different perspectives can be expressed based on different management styles, objectives, opinions or philosophies. Under no circumstances may this document be reproduced, in whole or in part, without obtaining written permission from the cited portfolio manager.

The Desjardins Funds are not guaranteed, their value fluctuates frequently, and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The Desjardins Funds are offered by such registered dealers.

The Desjardins brand is a trademark of the Fédération des caisses Desjardins du Québec, used under licence.